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The State of Black America 1983

Published by **National Urban League, Inc.**

JANUARY 19, 1983

Edited by
James D. Williams
Director of Communications
National Urban League

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Library of Congress Catalog Number 77-647469
ISBN 0-87855-937-X
Price: $14.00

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Dr. Alvin F. Poussaint - continued

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INTRODUCTION

By

JOHN E. JACOB

Among the most heart wrenching commentaries on the nature of the past year were the reports from a number of department store Santa Clauses that during the holiday season many children were not asking for toys for themselves, but for jobs for their daddies. When the young are this aware of economic realities, we begin to understand that unemployment is more than a set of figures, it is the very human tragedy of people being unable to provide for themselves and their families.

And this was not the only sign of troubled times that we saw in 1982. People standing in line for hours to be handed a five pound block of cheese, just as people once stood in line to be handed a bowl of soup. We also saw something else that America has not seen since the 1930s -- traveling bands of nomads in search of work. They packed what they could in their car, loaded up the family, and set out to find the job they could not find in their own hometowns.

They headed for where they believed opportunity still flourished, but many of them discovered they were chasing an illusion and at the end of the rainbow was a pot of nothing. Texas told them not to come and Alaska paid for an advertising campaign to deliver the same message. Other places did it in other ways, but the meaning was the same -- there are no jobs. If the calender did not say differently, these latter day nomads could have been the Joads of "The Grapes of Wrath" at the height of the Great Depression, except

that they were not farmers fleeing from land laid barren by the forces of nature, but urban workers dispossessed by economic forces.

These are indeed troubled times, and trouble is magnified within Black America, just as it has always been. White America catches a cold. Black America develops pneumonia. As bad as things were for White America in 1982, they were worse for Black America. White America was stunned by an unemployment rate of 9.3%. Black America staggered under a 20.2% jobless figure. Median income of black families slipped to 56% that of white families. Among the last to be hired, blacks were among the first to be let go when the recession began to pinch.

The promised "safety net" proved to be full of holes as the federal government continued the process of abandoning people-serving programs.

The programs that were singled out for the deepest budget cuts by the Administration and a compliant Congress -- at least compliant until November 2, 1982 when the voice of the voter was heard -- were those that most directly affected the poor. Those cuts went far beyond simple fat-trimming but slashed deep into the muscle. They seriously diminished our society's obligation to provide sustenance to the poor and opportunities for all.

Sadly, the programs singled out for the most severe cuts were those programs that had proven to be most effective. Medicaid made a real difference in the health of the poor. Aid to education improved basic skills achievement by poor children. Food stamps virtually ended the scandal of hunger in America. Job programs put the jobless to work. 1982 was not a good year — and of course no year is — to be black and to be poor in America.

Most disturbing is what has happened to the black middle-class which is -- as it is in all societies -- a bastion of strength and a source of

motivation within Black America. As the report, "A Dream Denied: the Black Family in the Eighties," issued by the National Urban League in 1982 disclosed, black middle-class families constitute only 30% of all black families as compared to 56% of white families and the position of many of these families is precarious. The report explained:

"The serious dilemma that many black families face is that many of them have not had enough good years to build a cushion against the bad years that are now upon them. In many cases, even a short interruption of family income due to day-offs, furloughs or even the loss of a job can result in disaster for a family already living close to the edge."

After a long struggle to get a relatively modest number of black families into middle-class status (70% still exist on low incomes), it is tragic to contemplate the negative effects that a diminution in their ranks will have on Black America, in terms of sending a message to the poor, and especially the working poor, that being black and middle-class is now a virtually hopeless dream. The movement of blacks into the middle-class in any appreciable number should be understood as a fairly recent development. These families increased over the last two decades by some 18 percentage points, with 15 of these coming during the 1960s, and only three during the decade of the 70s.

Much of the growth was due in large measure to the Civil Rights Movement which stirred the conscience of the nation, and to the government's commitment to equal opportunity reflected most vividly in the programs of "The Great Society" that virtually created much of today's black middle-class by providing opportunities for education and employment that had not existed before.

Now these programs are under attack as being failures and they are being eliminated one after another for seemingly ideological rather than budgetary reasons, sending a clear signal that the nation is defaulting on its commitment to assure equal opportunity for all its citizens.

If there is any doubt that this commitment is being rescinded, one only has to look at the actions of the U.S. Department of Justice over the past year, and specifically at those of its Civil Rights Division which has long been the centerpiece of federal civil rights commitment. Officially charged with coordinating and reviewing all civil rights policies and regulations of most federal departments, the Civil Rights Division has been accurately described as the barometer by which all federal agencies' efforts in this arena can be measured.

Over the past 20 years, through Democratic and Republican Administrations alike, the Division has been looked upon as being supportive of efforts to assure equality of opportunity under the law. This is no longer so.

What emerges from an objective examination of the division's record is a distinct pattern of the weakening of the government's civil rights mechanism and a studied effort to turn back the clock. Among others reaching this conclusion in 1982 was the Civil Rights Task Force of the Washington Council of Lawyers.* In its report, "Reagan Civil Rights: The First 20 Months," the Council stated:

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* The Washington Council of Lawyers is a voluntary, bipartisan bar association that has sought, since its creation in 1971, to promote public service and public interest activities within the legal community. Its membership includes representatives from private law firms, public interest groups and governmental agencies.

"The Administration has retreated from well established, bipartisan civil rights policies that were developed during both Democratic and Republican Administrations. At the same time, the Reagan Administration has failed to develop -- and implement -- cohesive and consistent civil rights policies, despite its promise to devise creative and innovative solutions to age old problems."

Black America is far from being monolithic, but there is a wide-spread and deeply rooted conviction that the Council's assessment of the Administration's approach to civil rights is correct, despite the President's assertion, made in a radio interview on December 19, 1982 that his Administration has the best record of all Presidential Administrations in actively pursuing violations against minorities.

There is also the strongly held conviction within Black America that the Administration is insensitive to the other problems of minorities and the poor. Taken together, these convictions have created a strong sense of alienation within Black America from the Administration, the like of which has not been seen in more than four decades.

One only has to talk to any of the people in any of the black communities in any city in the nation to discover this. The feeling ranges across all social and economic classes and should be of concern to the Administration, which so far has treated the matter as one involving public relations (i.e. the inability to get its message across to Black America), rather than as one of substance (i.e. Black America understands the message and is deeply disturbed).

We recall that in last year's "State of Black America" report we said:

"At no point in recent memory had the distance between the national government and Black America been greater than it was in 1981, nor had the relationship between the two been more strained." We erred only in that the gap apparently widened in 1982. We hold to our original contention made in 1981 that this alienation is not in the best interest of the American people and the Administration has to do more to bridge the gap, not with rhetoric but with its actions.

Some Positive Developments

Despite the bleak economic situation, the cutbacks in funding for programs that served the poor, the general public coolness to programs and policies that would increase opportunities for minority groups, there were some developments in 1982 that impacted positively on Black America.

Of particular importance was the coalition that came together under the aegis of the Leadership Conference on Civil Rights to push for an extension of the Voting Rights Act as well as a strengthening of the measure. Composed of representatives from 160 major national organizations representing blacks, Hispanics, Asian Americans, labor, the major religious groups, women, the handicapped, the aged, minority businesses and professions, the Leadership Conference played a compelling role in the Voting Rights fight. It had been several years since such an effort had been mounted on behalf of any legislation, and the fact that it was successful indicated that under the right circumstances, the coalitions that were so effective in the past in advancing the causes of blacks, other minorities and the poor, can be mobilized again.

It is also important that even though the Administration dragged its feet on supporting the Voting Rights Act until the 11th hour, a bipartisan group of legislators in both Houses of Congress supported the measure and produced a strengthened piece of legislation.

Admittedly, Black America's victories were few in 1982, but among these should be counted are what we at the National Urban League view as reinvigoration of community concern at the grassroots level. Whether the forces of adversity have driven people closer together, or whether this concern has grown like Topsy -- pretty much on its own -- is relatively unimportant. What is important is that during the past year we found in city after city across the country, that the black community was looking more and more to itself to do those things that only it can do for itself.

Our discovery came about when we announced our Youth and Community Initiative program, identifying our young people, ages 11 to 25, as those individuals within the black community at greatest risk. While they are the future of Black America, they are being buffeted by a series of forces that if allowed to go unchecked can turn them into a lost generation.

Four areas were identified as being of primary concern. The first two -- teenage pregnancy and female headed households -- were chosen because every single analysis finds these two factors increase vulnerability to poverty. In addition, they are central to health, education and job problems afflicting the black community.

The second two -- crime and voter education -- were chosen because they deal with the alienation and community disintergration that must be reversed if black youth are to take their rightful places in society.

All four of these issues impact most heavily on youth. It is our young people who are most vulnerable to the pressures of poverty, who are disproportionately the victims as well as the perpetrators of crime, whose alienation from society keeps them out of the voting booth.

We operate under no delusions. We know that the basic problem of young people today is lack of jobs. Teenage unemployment rates of 50% and 60% do not exist just because of adolescent pregnancy, or low voter turnouts. Our society denies jobs to minority youngsters and young adults. It denies adequate educational and skills training. It still discriminates against the black poor.

At the same time, we recognize that the black community can best address the four concerns raised above, thus providing a supportive system to our young people that will better prepare them for adult roles. We turned to other institutions within the black community for assistance -- our churches, our press, our social and fraternal organizations and our many local citizen groups valiantly fighting to keep our communities whole and healthy. We found among them an extraordinary willingness to help build a stronger Black America. We learned anew that adversity has not dulled the unquenchable spirit of black folks.

In this year's "The State of Black America," we have asked eight distinguished scholars to prepare essays in their particular field of expert knowledge that would examine the current status of blacks in that particular field. Each of the authors was left free to determine his or her own approach to the subject area so that the views reflected in the essays should not be

construed as representing the official positions of the National Urban League. Our conclusions and recommendations appear at the end of this document. We are grateful to our contributors.

We are pleased to present these essays to the public for we believe they will provide a fresh and deepened understanding of the black experience in America.

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THE CHANGING DEMOGRAPHICS IN BLACK AMERICA

By

James D. McGhee

I. INTRODUCTION

The decade of the seventies have not been particularly good years for this country or for its black population. The ten years of the seventies not only began and ended with recessions but Americans suffered through one in mid-decade as well. Those ten years brought us four Presidents, each with his own style and political agenda that often cancelled out the efforts of his predecessor. They brought, finally , an end to one of the most unpopular wars in history but also the beginning of permanent structural changes in the U.S. and world economies that are only now beginning to be generally recognized and are still not fully understood.

As for domestic issues, the seventies can best be described as years of retrenchment. The bills came due for many of the civil rights advances of the sixties and the American people began to realize that it was easy to be in favor of civil rights for minorities when the issue was public accommodations, but when it came to competition for jobs and training a greater depth of commitment was required than could willingly be given. The seventies also brought an end to the naive belief that the problems of America's poor and minorities were amenable to quick or easy solutions when the social programs that had been so successful for those who were easiest to help began to flounder under the weight of those requiring even greater efforts.

Major and significant changes have taken place in our society during the decade of the seventies; many of these changes will have long-term effects that are only being vaguely discernible today, but they will alter profoundly the shape of our society in the future. This paper highlights some of those changes and projects some of the effects they will have on the future of black Americans.

II. POPULATION MOVEMENTS IN THE SEVENTIES

One of the most significant trends of the seventies was the general shift of the population of the United States away from the Northern and Eastern parts of the country toward the Southern and Western areas. This pattern of migration is similar for both blacks and whites and while it was evident in the late sixties, it has accelerated in the last ten years.

Regional Distribution of the Population

Since 1970, there has been a more than 17% increase in the black population to a total of 26,488,000 persons.[1/] While this increase has occurred generally nationwide, some areas have shown larger increases than others, particularly the South and the West. In terms of absolute numbers, the largest increase in black population has been in the South, which gained over two million black persons in the ten years between 1970 and 1980 (Table 1.)

Over the last decade the gains in the black population have remained fairly constant except for a slight increase in the numbers of blacks living in the West which amounted to approximately one-half million persons. In 1970 about 7.5% of the black population lived in the West, whereas in 1980 this had grown to 8.5% or over two million blacks. The Northeast,

while experiencing overall growth in its black population saw its percentage of the total black population decline from 19.2% in 1970 to 18.3% in 1980. Thus, while the total black population in the Northeast grew during the seventies, its percentage of the total national black population decreased.

The patterns of black population growth for the South and West are similar for the total population as well. These areas account for 89.2% of this country's total population growth over the last ten years. For blacks alone, the South and West accounted for 67.5% of the total population growth over the last ten years. (Table 1).

Metropolitan/Non-metropolitan Residence

While both the black and white populations showed considerable movement during the seventies, there were significant differences. Whites have shown a decline of 6.1 million persons in central city residence between 1970 and 1980; blacks, on the other hand, showed an increase of 1.8 million persons living in central cities (Table 2). Whites living in areas outside central cities but within metropolitan areas, (i.e. the suburbs), increased by 10.5 million persons; black residents in these areas increased by 1.9 million persons. This represents a 44% increase for blacks living in suburban areas.

In general then, we see a picture of population movement toward the South and West, but within that movement a clear distinction in the ultimate destinations of different racial groups. Whites tended to move out of central cities into the suburbs, while blacks moved in equal numbers to the central cities and the suburbs. This pattern of migration has resulted in

significant changes in the racial composition of the central cities and has had a profound effect on city politics as well as the style and quality of life in the cities.

Black Cities

In 1970, there were seven major cities with black population majorities, and only four of these had black mayors. By 1980, however, there were 17 cities with majority black populations, 13 of which had elected black mayors (Table 3).

There were an additional 13 major cities in 1980 with black populations that were at least 45% of the total, suggesting that some of these will have majority black populations within the next few years (Table 4). These trends portend a number of possible political changes in large U.S. cities. For one, it is likely that many of these cities will in all likelihood occupy other positions of power and influence. Blacks should then begin to have significant control over the decision-making processes that profoundly affect their lives.

At the same time, however, other developments promise to cloud the political and economic future of black leadership in the cities. For example, between 1970 and 1980, central cities experienced an increase in their black population, while whites living in central cities decreased by 11.5% or 6.1 million people. Thus, while blacks continue to move into central cities, whites continue to move out of them and the whites who move out are generally more affluent than the blacks who are moving in. This means that while blacks are assuming political control of many central cities, the resources required to run them may not be

available because of the loss of many of the most affluent citizens.

Problems in the Central Cities

One of the reasons why changes in the racial composition of U.S. cities will so drastically affect lifestyles is because of differences in the economic resources of those moving in compared to those moving out. The decade of the seventies brought significant shifts of the poor black population from non-metropolitan to metropolitan areas. In 1970, for example, about 45% of blacks below the poverty level lived in non-metropolitan areas whereas only 28% did in 1980. Conversely, in 1970 about 54% of blacks living below the poverty level lived in metropolitan areas. By 1980, fully 72% of poor blacks lived in metropolitan areas (Table 5). Finally, in 1980 over one-half (56%) of all poor blacks and one-fourth (27%) of all poor whites lived in central cities of metropolitan areas. Such facts clearly signal the advent of major social and financial problems for these areas in the near future.

While blacks have gained and will continue to gain political control over cities, if current trends continue they will also inherit some very difficult problems. With the influx of the poor will come increased demands for social services, but the simultaneous out-migration of the more affluent residents will result in fewer tax dollars to help to pay for those social services. City administrators will find themselves having to make some very difficult choices. Given diminishing public treasuries, they will have to decide which of equally important services gets funded and which do not. They will have to decide, for example, between improving the public schools and hiring more police. Increasingly,

they will have to choose between long-term goals and short-term political expediencies.

We have already begun to see the reaction of city administrators to this dilemma. Many are attempting to raise additional funds without raising personal or business taxes since these actions would only drive away the very people the cities must depend on for help. One such fund-raising effort is the use of city-managed lotteries, which amount to self-imposed taxes by those who participate in them. But lotteries are a temporary solution at best, for the same demographic patterns that signal trouble for the cities will eventually reduce the income generating potential of lotteries.

Other solutions to the problems of income for the cities have taken the form of tax incentives for businesses to relocate there and, of course, the Reagan Administration's Urban Enterprise Zone plan, which is designed to provide both jobs for the urban poor and, eventually, an increased tax base for the cities. But the ultimate solution for the cities is to find a way to slow and eventually reverse the demographic trends that have been evident for the last 15 to 20 years. One way to do this is to make the cities more attractive places to live. While this is the best long-term solution to the problems of the cities, it is also much more easily said than done.

III. INCOME AND EMPLOYMENT

Black Family Income

The decade of the seventies have not been very good years for black families in terms of money income. The economic recessions of 1969 and 1974 have dealt setbacks to black families from which they have not recovered and today, they are struggling through the deepest recession since the Great Depression. As measured by 1980 dollars, the median income of black families has actually decreased since 1970 from $13,325 to $12,674 in 1980 (Table 6). During the same period, however, the median income for white families rose, but only slightly, signifying that whites as well as blacks had been affected by unfavorable economic conditions.

These events have effectively reversed the 25-year upward trend of black/white family income ratios, which peaked in 1975 when black families had a median income that was 62% that of whites--an all time high. Subsequently, in 1979 that ratio decreased to 57% and in 1980, black families' median income was only 58% of white families. Of course incomes of all families are depressed during recessions but black families usually are hardest hit because they are more often employed in the kinds of jobs that are most effected during recessions; that is, jobs involving unskilled and semiskilled labor. Additionally, blacks are likely to be adversely affected by recessions because the "last hired-first fired" philosophy of many businesses guarantees that blacks will bear the brunt of any business downturn.

Black Middle Class

"Middle Class" status for our purposes is defined entirely by a family income of $20,000 or more. Using this criterion, the black middle class has grown only slightly during the decade of the seventies. The proportion of black families with middle and upper incomes peaked in 1979 at 32% and then declined in 1980 to 30%. However, only 27% of black families earned middle and upper incomes in 1970 (Table 7). Thus, some progress, alb slight, has been made. The period of maximum growth in median black family income occurred in the sixties--when only 12% of black families had incomes above $20,000 in 1980 dollars. By 1970, however, 27% of black family incomes were above $20,000 in 1980 dollars.

Unemployment

The decade of the seventies can best be characterized as disastrous for black people in terms of unemployment rates. Blacks began the decade with an unemployment rate of 5.6% for adult black males and 6.9% for adult females. Unemployment rates for whites, while lower were at least roughly comparable at 3.2% for males and 4.4% for females (Table 8). As the decade progressed, however, and we entered the recession of 1974-75, unemployment rates for both groups increased sharply. They have remained extremely high for blacks, but have subsided somewhat for white adults. In fact, since 1975, unemployment rates for black adults has been literally twice the rate for white adults, which was not the case in the early seventies. And while the increase in the black adult population of nearly 57% during this period is often offered as an explanation for their high rate of unemployment, let us point out that the white adult population

showed substantial increases (40%) during the same period, and yet their unemployment rates have not stayed high.

These figures clearly illustrate the lingering effects of the 1974-75 recession. Black unemployment rates have not recovered to the extent as have those for whites. Today, of course, we are enduring the worst economic recession since the Great Depression and, again, black unemployment rates are soaring.

This series of recessions following so rapidly one after the other threaten to do serious and permanent damage to the black labor force by creating large numbers of teenagers and young adults who have never in their lives held steady jobs. Eventually, society will pay a heavy price for this loss of human potential.

Labor Force Participation Rates

While the unemployment rates present a discouraging picture, perhaps an even more alarming long-term trend is highlighted by labor force participation rates--the proportion of the population that is actually in the labor force whether employed or unemployed. If we examine trends in these rates over the last twenty years we find that the proportion of the black male population in the labor force has declined steadily from 83% in 1960 to 71% in 1980 (Table 9) when less than three-fourths of the black male population were even in the labor force. Thus, for the past 20 years smaller proportions of black males are participating in the labor force. The trend for white males is in the same direction, but the rate of decline is much smaller than that of blacks.

Interestingly, while smaller and smaller proportions of males are in the labor force, the trends for women have been in the opposite direction for the last two decades. Black women have increased their labor force participation rates steadily during this period from 48% in 1960 to 53% in 1980, indicating steady growth in the number of black women in the labor force. But perhaps the most dramatic development of the last twenty years has been the entrance into the labor force of large numbers of white women. The labor force participation rates of white women have soared from 37% in 1960 to 51% in 1980. This represents an increase in potential workers and job seekers of nearly 20 million white women in only 20 years. In order to put this number in perspective: the increase in the number of white females in the labor force between 1960 and 1980 represents more people than the entire black force (male and female) of 12½ million persons .2/

This enormous increase in white females in the labor force is part of the explanation for the continuing high levels of unemployment among blacks.

IV. EDUCATION

In 1980, nearly 20% of the black population was under nine years of age and nearly 30% was under fourteen.[3/] Thus, nearly one out of every three American blacks in 1980 had not entered senior high school. The relative youth of the black population dictates, to a large extent, the areas of primary concern for blacks for the next decade. These must be heavily weighted toward the problems and concerns of youth and among the most salient problems and concerns of black youth is the issue of education.

College Enrollment

College enrollment of black high school graduates 18-24 years old peaked at 32% in 1975 when 665,000 black students were attending college classes (Table 10). In that year, the proportion of blacks in that age group who were enrolled in college nearly equalled that of whites (32.4%) for the first time in history. In 1980, however, while the absolute number of black college students had increased to 688,000 the proportion of black 18-24 year olds enrolled in college had declined to about 28%.

This decline in the proportion of blacks attending college is probably the result of increased tuition costs and the lingering effects of the economic recession of 1974-75, rather than any change in the attitude of blacks toward higher education. On the contrary, a college education is still considered a highly desirable goal by black parents--whether or not they themselves have managed to achieve it. An examination of the educational backgrounds of the parents of college students reveals that in 1979 and 1980, the overwhelming majority (70%) of those parents had

never attended college and fully 45% had not graduated from high school. Yet they saw to it that their children did both (Table 11). Thus, a majority of black college students in 1979 were first-generation college students, just as they were in 1970. In fact, only about one-fourth of those students in 1979 came from families where the head of the family had attended college. The bulk of black college students continue to come from families where the household heads are high school graduates at best, a clear indication that there remains an enormous pool of talent in the black community waiting to be tapped.

It has often been claimed that the cost of a college education is too high in actual dollars and in terms of time that might be better spent gaining work experience. The student, so the argument goes, might be better off in the long run if he or she enters the job market immediately after high school. Economically, however, this argument is not supported by the evidence. The median family income in 1980 for a black household whose household head had four years of college was $24,282, an increase of 62% over that of the high school graduate (Table 12).

The payoff for whites with four years of college is even greater than for blacks. In fact, whites with only one to three years of college have family incomes that are about the same ($23,357) as blacks who have completed four full years of college. Projected over the lifetime of the individual, such an income differential could mean additional hundreds of thousands of dollars for the college graduate--a sum that could rarely be equalled by four years of work experience.

Educational Attainment

High school educational attainment among blacks continued to improve dramatically over the last decade with the median years of school completed rising from 9.9 in 1970 to 12.0 in 1980 for the first time in history. In real terms, this means that the median educational level for black adults has risen from an eighth grade, elementary school level to a twelfth grade high school level in a period of twenty years (Table 13).

In spite of these gains, there is still much to be done and a long way to go in the area of education. Of those blacks 25 years old or older in 1980, only 51% have graduated from high school, while 70% of whites of that age have high school diplomas. While this represents an improvement over 1970, when only 35% of black adults and 58% of white adults had graduated, it still means that only one-half of black adults have graduated from high school in an era when a high school education is increasingly seen as the basic criterion for both employment and training.

High School Dropouts

In the last ten years, both the number and the rate of black high school dropouts have declined (Table 14). In 1970, the dropout rate for 18-21 year old blacks was 30.5% which represented over a half million students who had dropped out of school before receiving the diploma. By 1980, this number had decreased to 486,000 youths representing 23% of the 18-21 year old population. Table 14 shows that the younger group of 14-17 year olds in 1970 had a drop out rate of 7.4%, and by 1980 this rate had decreased to 4.5%.

Despite such encouraging signs, however, there are several areas of concern that we have not adequately addressed. First it is important to note that while the dropout rate is decreasing, in 1980 16% of black 14-24 year olds had dropped out of school. Dropping out of school is still for most people

the best guarantee of a lifetime of unskilled manual labor for relatively low pay and only intermittent employment at that. In 1980, the median family income for a black householder with one to three years of high school was $10,457 compared to $14,465 if the householder had completed four years of high school. This amounts to a yearly bonus of about $4,000 just for having completed high school. Over the lifetime of an individual worker, the salary differential is significant, but even more important than salary are the increased opportunities and broadened horizons afforded by the high school diploma. With it one can go on to almost any job or profession. Without it, one's prospects are very limited. The costs of almost any level of effort to keep teenagers in school are miniscule compared to the cost to our society in lost income taxes, increased crime and social services over the lifetime of the individual who fails to earn a high school diploma.

Secondly, it is becoming increasingly clear that simply keeping youngsters in school is not sufficient for the schools to fulfill their educational mission. We must also insure that schools actually teach and that students actually learn something while there. While many of us have always assumed that these processes took place as a matter of course, it has become increasingly obvious that such is not the case. There is a growing concern among educators and employers about the problem of functional illiteracy among young adults who have completed high school but who still do not possess the basic skills of reading, writing and computation. It is important that black people begin again to demand that our teachers teach and our students learn and that we aid and support our educators in achieving this mutual goal. The only alternative, in an increasingly technological society, is for blacks to continue to be relegated to the least desirable jobs our society provides.

The importance of education has never been more apparent than today with the black unemployment rate hovering around 20% while the want ads are full of jobs for machine installers and repairmen, computer programmers and engineers. Obviously, most blacks who are unemployed are not eligible for these jobs, yet those who can read, write and do simple mathematics can use those tools to learn new skills. Those who do not possess these basic tools are at a serious disadvantage when seeking employment or training, and their lot is not likely to improve.

V. FAMILY PATTERNS

The decade of the seventies brought significant changes in the patterns of family life for both blacks and whites. While married couple families still predominate for both groups as they did in 1970, the proportion of black married-couple families has declined drastically from nearly 66% of all black families in 1970 to 54% in 1980. During the same period, the proportion of black single female-headed households increased from 30% to about 42% (Table 15). This pattern is similar for white families, although the degree of change is not nearly as great as among black families.

Of course, there is nothing inherently bad or threatening about black families being headed by single females. The problem is that there are negative circumstances associated with families being supported by women alone. One such negative circumstance is the tendency toward low family incomes. The median income for a black married-couple family in 1980 was $18,593, twice that of a single female householder ($7,425). If the wife in the married-couple family also worked, the median family income increased to $22,795 or more than three times that of the single female householder (Table 16). These proportions did not change significantly during the seventies.

A large number of black households are still headed by women with incomes that place them at or below the official poverty level. However, those families are poor not just because they are headed by women, they are poor because the women who head them are either unemployed, underemployed or not in the labor force at all. Fully 60% of all black female household heads were employed, and only 30% were not in the labor force at all. Nearly half (48%) of all female household heads worked full time in 1980, which disputes the common perception of all female household heads as poor and dependent upon welfare for their income.

Female Family Householder

Because nearly 42% of black families are headed by single females, it is worthwhile to examine some of the characteristics of these families more closely. As shown in Table 17, the average age of the black female householder has been decreasing for the last 30 years and is now 37.6 years. More interesting, however, and more significant are the reasons why these women are single and heads of households. Only about one-fourth of them have never been married. Nearly three-fourths, on the other hand, are either married with an absent spouse (28.7%), widowed (22.2%) or divorced (21.9%). Clearly then, these are not single women deliberately having babies in order to get the state to support them through welfare payments as has been often charged. The evidence points, instead, to women making a commitment to a man and starting a family based on that commitment.

One of the major reasons for the disintegration of these families is divorce. In 1970, 14% of female householders with no spouse present were alone for this reason. By 1980, however, that proportion had increased to 22%, yet all other reasons for family disintegration had declined over the same period (Table 17).

Children

In 1980, nearly three-fourths (72%) of all single black female-headed households contained children under the age of 18 years. This proportion is up sharply, from 56% in 1960 to 67% in 1970. During the same period, the proportion of all black children under 18 years old living with single females also jumped--from 21% in 1960 to over 44% in 1980. (See Table 17). Thus, we are fast approaching the point where half of all black children in the U.S. will be living with single females. Although this is not alarming by itself, the responsibilities and demands of parenting are so great that it is usually preferable for children to live with both parents. There are also negative financial and social ramifications as well, some of which may not be manifested for years to come.

Financially, female headed households have the lowest median incomes of any family type. Forty-nine percent had incomes that fell below the poverty level in 1980. Since nearly one-half of all black children now live with single females, and one-half of those families are poor a significant number of black children are being raised in poverty. It is this fact that most clearly signals the problem that we must face in the future. For children raised in poverty in the eighties will suffer all the litany of ills that we already know to be associated with that condition, including inadequate health care as infants, second-rate education as children and poverty and unemployment as adults. While this may not be the fate of all children reared in poverty, it will befall a significant number of black children in the future as it has in the past, unless something is done to interrupt the cycle.

VI. MORTALITY AND FERTILITY

Birth Rate

The birthrate for both black and white women declined steadily during the sixties and early seventies and then showed a slight increase in 1979 (Table 18). However, the birthrate for white women has been dropping at a somewhat faster rate than that of black women. The consistently higher birthrate for black women and the shorter life expectancy for blacks (Table 19) combine to lower the age of the black population relative to that of the white population. Thus, the median age of the black population in 1980 was 24.9 years while that of the white population was 31.3 years. This relationship was essentially the same in 1970 with both groups increasing their median ages by about two and one-half years during the seventies.

Birth Expectations

The black birth rate is likely to continue to be higher than that of whites in the near future. For all women in the child-bearing years, aged 18-34 data collected in 1979 found that a black women on an average had nearly one-and-a-half times the numbers of births as compared to white women. This was true even though black women in this age group had already given birth to 67.6% of all their expected births as compared to 53.4% for white women. However, even though, as noted above in the previous section, the fact that the black birth rate is falling, nonetheless, in the near future the black population will continue to increase at a faster rate than the white population and thus tend to make the overall black population younger than the white population.

Births to Unmarried Women

While a high birthrate is considered by some to be laudable, especially for a minority population, the persistent upward trend in the numbers of births to unmarried women is disturbing. In 1979, 48% or nearly one-half of all children born to nonwhite women in the United States were born to unmarried women. This trend has been evident at least since 1950 (Table 21) when about 17% of all nonwhite births were to unmarried women. After 1960, however the growth in the proportion of births to unmarried women accelerated sharply until 1975, when the rate of increase began to slow. Interestingly, the enormous increase in births to nonwhite unmarried women began at about the same time that a reliable and reasonably safe contraceptive, "the pill," became widely available.

Teenage Pregnancy

Nearly one-half of the births to nonwhite unmarried women in 1978 were to teenagers (Table 22). In fact, the continued high incidence of teenage pregnancy constitutes one of the most serious problems facing the black community today. It is a serious problem because it has negative consequences immediately for the teenager and in the future, for the child. The immediate consequence of pregnancy for the teenager usually involves dropping out of school, the ramifications of which have been discussed elsewhere in this and previous reports.[3/] The longer term effects, however, are equally if not more devastating to both the health of the child and prospects for the mother. The tragedy of teenage pregnancy is that it is preventable, reliably and safely, and the long-term well-being of a large proportion of the black population depends on continued efforts to do just that.

VII. CONCLUSION

The implications of some of the data presented here are disturbing; in some cases, even frightening. There are structural changes taking place in industry, for example, that are having profound effects on the employment opportunities for black Americans—today and for years to come.

Changing Job Market

For many years, some of the best paying and most plentiful jobs for blacks have been blue collar jobs in industry, of which automobile manufacturing and steel-making are only two examples. These jobs have paid high wages for essentially unskilled or semi-skilled labor, and have provided a middle income standard of living for many blacks. But it is becoming increasingly clear that the days of high wages for semi-skilled labor are quickly coming to an end--the victim of the growing costs of labor in the United States and increasingly competitive foreign manufactured goods. In addition to cheaper labor abroad, technology also threatens the jobs of industrial workers in the form of computerized robots.

It is clear to most analysts that even if the current recession ended tomorrow, many of our major industries would never be as labor intensive as they were in the past, and many of those who have been laid-off will never return to their old jobs. Perhaps the most obvious example of this impact is in the automobile industry where labor costs are relatively high. The Japanese have found a way around this with the extensive use of robots to build automobiles faster, more efficiently and at lower costs than can be done with human labor. American automobile manufacturers have already begun to make similar use of robots in their own plants. Such automation will certainly displace a significant proportion of the human workforce. Unfortunately, many

of the jobs eliminated will be the semiskilled and unskilled jobs where blacks tend to be concentrated.

There will be a need, therefore, in the near future for programs to retrain many of those workers, both black and white. Without such retraining, there will be a significant problem of unemployment among a group of people who have never before been out of work for any significant period.

Short-Term Solution

To the extent that a worker already possesses the basic tools of reading, writing and mathematics that will allow him or her to benefit from retraining, then we should expect a combination of private sector and government efforts to provide the training needed. But for those workers who do not possess those basic tools, we cannot expect such strategies to be effective. The primary purpose of business, after all, is to make a profit, and it is neither profitable nor cost effective for a business to conduct basic education programs for those whom they do not already employ. It will be necessary, then, for government to become involved in providing some of the basic skills training and some of the retraining of previous employed workers. The alternative would be to allow them to fall through the cracks of our society and into the world of the permanently unemployed.

It is fashionable these days to criticize programmatic efforts by government as a solution to social problems, but many of those efforts have been successful in the past and can be successful now. Many of the jobs and skills training programs that were operated by the government actually generated a return on the original dollars invested;[4/] such efforts should not be abandoned now when they will be most needed.

Long-Term Solution

Basic skills training by government, however, is at best a short-term solution to the problem of unemployment. The truly long-term solution is for blacks to learn those basic skills when the opportunity first presents itself, that is, in the public elementary and secondary schools. It is nonsensical for black students to continue to pass through the public school systems and to graduate from high schools without being able to read, write and compute. More importantly, it is wasteful because those without basic skills will either have to acquire them or face a life-time of poverty and unemployment. Once a person has mastered those skills, then they are only limited by their own level of ambition and by their individual capacity to acquire new skills.

Blacks and the Cities

The fact that central cities are becoming increasingly black and poor is a serious problem that will require much skill and imagination to solve. But while these conditions represent a challenge to our ingenuity, they also represent an opportunity for black people to regain some of the resources and benefits that have been denied them. As blacks begin to gain political control in those areas where they are in the majority, these circumstances present an opportunity for them to gain some economic control as well.

The integration of businesses and public accommodations has often been called a double-edged sword for black people. While it eliminated the indignities of separate facilities and limited access to goods and services, it also forced black businesses to compete with white ones for black dollars and, in most cases, the black businesses lost.

Today, black people constitute a very large market for goods and services and there is no reason why black businessmen and women cannot be suppliers of that market, especially with the aid of sympathetic ears in city administrations.

Other ethnic and racial groups have taken advantage of their political power to create a receptive climate for business and with the rise of blacks to political power in the cities, there is no reason why that process should not repeat itself.

Footnotes

1/ U.S. Bureau of the Census, 1980 Census of Population and Housing, Advance Report, PHC 80-VI, 1980.

2/ U.S. Bureau of the Census, Population Profile of the United States, Current Population Reports, Series p.20, No. 363.

3/ James D. McGhee, "The Black Teenager: An Endangered Species, "State of Black America" (New York: National Urban League, 1982).

4/ Robert Taggart, A Fisherman's Guide (Kalamazoo, Mi.: W.E. Upjohn Institute for Employment Research, 1981).

Table 1

Distribution of Total Population by Region: 1970-80

(Numbers in thousands)	1970 a/	1980 b/	Change 1970-80 #	%
Total U.S.	203,302	226,505	23,203	11.4
Regions				
Northeast	49,061	49,137	76	0.2
North Central	56,589	58,854	2,265	4.0
South	62,812	75,349	12,537	20.0
West	34,838	43,165	8,327	23.9
Black only				
Total U.S.	22,580	26,488	3,908	17.3
Regions				
Northeast	4,344	4,849	505	11.6
North Central	4,572	5,337	765	16.7
South	11,970	14,041	2,071	17.3
West	1,695	2,262	567	33.5

Sources: a. U.S. Bureau of the Census, State and Metropolitan Area Data Book, 1979, (Washington, D.C.: U.S. Government Printing Office, 1980.)

b. 1980 Census of Population and Housing. Advance Reports, PHC 80-V-1, U.S. Bureau of the Census.

Table 2

Population By Metropolitan-Non Metropolitan
Residence and Race 1970-1980

(Numbers in millions except percent)

	1970		1980		Change 1970-80 Black		White	
	Black	White	Black	White	No.	%	No.	%
SMSA's	17.9	133.6	21.5	138.0	3.6	20.2	4.5	3.3
Central Cities	13.5	53.1	15.3	47.0	1.8	13.0	-6.1	-11.5
Outside Central Cities	4.3	80.5	6.2	91.0	1.9	44.0	10.5	13.1
Non-Metropolitan Areas	4.7	44.2	5.0	50.3	.3	6.5	6.1	13.9

Source: U.S. Bureau of the Census, U.S. Census of Population: 1970, Vol. 1, and 1980 Census of Population and Housing, Advance Report, Series PHC 80-V.

Table 3

Major Cities With Black Population Majorities
1970-1980

1970	%black	1980	%black
Washington, D.C.	71.1	*East St. Louis, IL	95.6
Compton, CA	70.0	*East Orange, NJ	83.5
East St. Louis, IL	69.1	*Compton, CA	74.8
East Orange, NJ	53.1	*Gary, IN	70.8
Newark, NJ	54.2	*Washington, D.C.	70.3
Gary, IN	52.8	*Atlanta, GA	66.6
Atlanta, GA	51.3	*Detroit, MI	63.1
		*Newark, NJ	58.2
		Inglewood, CA	57.3
		*Birmingham, AL	55.6
		*New Orleans, LA	55.3
		Baltimore, MD	54.8
		*Camden, NJ	53.0
		*Richmond, VA	51.3
		Wilmington, DE	51.1
		*East Cleveland, OH	86.5
		*Pritchard, AL	73.7

* Black mayor as of 1982.

Source: U.S. Bureau of the Census, Abstract of the United States: (101st edition.) Washington, D.C., 1980; U.S. Bureau of the Census, 1980 Census of Population and Housing, Advance Reports, 1981. National Conference of Black Mayors, 1980.

Table 4

Cities With Nearly Black Population Majorities: 1980

Between 50 & 45% black population

City	% black
1. Memphis, TN	47.6
2. St. Louis, MO	45.6
3. Oakland, CA	46.9
4. Jackson, MS	47.0
5. Savannah, GA	49.0
6. Macon, GA	44.5
7. Durham, NC	47.1
8. Portsmouth, VA	45.1
9. Trenton, NJ	45.4
10. Richmond, CA	47.9
11. Albany, GA	47.6
12. Mount Vernon, NY	48.7
13. Charleston, SC	46.5

Source: U.S. Bureau of the Census, Census of Population: 1980, Advance Reports, PHC 80-V.

Table 5

Number and Percent of Persons Below The Poverty Level By Race and Metropolitan, Nonmetropolitan Residence 1970 and 1980

(Numbers in thousands except percents)

	1970			
	Black		White	
Total	7,458			
Metropolitan Areas	4,061	54.5	9,024	56.9
Inside Central Cities	3,176	42.6	4,775	27.7
Outside Central Cities	885	11.9	4,249	29.2
Nonmetropolitan Areas	3,397	45.5	8,460	43.1
	1980			
Total	8,579			
Metropolitan Areas	6,172	71.9	11,205	51.6
Inside Central Cities	4,831	56.3	5,449	27.3
Outside Central Cities	1,341	15.6	5,755	24.3
Nonmetropolitan Areas	2,406	28.0	8,494	48.4

Source: U.S. Bureau of the Census. Characteristics of the Population Below The Poverty Level: 1980. Current Population Reports. Series P-60, No. 133, July, 1982.

Table 6

Median Family Income by Race in Constant 1980 Dollars: 1950-1980

	1950	1960	1970	1975	1979	1980
All Races	$11,361	$15,637	$20,939	$21,004	$22,320	$21,023
Black Families[1/]	6,398	8,987	13,325	13,441	13,219	12,674
White Families	11,792	16,235	21,722	21,845	23,275	21,904
B-W Ratio	54	55	61	62	57	58

1/ Prior to 1970, black families were not counted separately but were included in the category of "Blacks and Others."

Source: Money Income and Poverty Status of Families and Persons in the United States: 1980, Current Population Reports, Consumer Income, Series P-60, No.127, August 1981.

TABLE 7

INCOME DISTRIBUTION OF FAMILIES IN CONSTANT (1980) DOLLARS BY RACE

1960-1980

FAMILY INCOME	1960	1970	1975	1979	1980
Total %					
Black	100%	100%	100%	100%	100%
White	100%	100%	100%	100%	100%
Upper Income					
$35,000 & Above					
Black	-	5	4	9	8
White	-	16	16	23	21
Middle Income					
$20,000 to $35,000					
Black	-	22	26	23	22
White	-	35	39	36	35
Low Income					
$20,000 to $10,000					
Black	33	37	32	30	30
White	44	33	29	26	28
Very Low Income					
$10,000 & Below					
Black	55	36	38	38	40
White	25	16	16	15	16

Source: Money Income and Poverty Status of Families and Persons in the United States: 1980. Current Population Reports, Consumer Income. Series P-60, No. 127, August, 1981.

Table 8

Unemployment Rates For Adults Twenty Years Old and Older by Race and Sex

	Males		Females	
Year	White	Nonwhite	White	Nonwhite
1970	3.2	5.6	4.4	6.9
1971	4.0	7.2	5.3	8.7
1972	3.6	6.8	4.9	8.8
1973	2.9	5.7	4.3	8.2
1974	3.5	6.8	5.0	8.4
1975	6.2	11.7	7.5	11.5
1976	5.4	10.6	6.8	11.3
1977	4.6	10.0	6.2	11.7
1978	3.7	8.6	5.2	10.6
1979	3.6	8.4	5.0	10.1
1980	5.2	11.4	5.6	11.1
1981	5.6	12.2	5.9	12.5

Source: Adult Rates from Economic Report of the President, 1979. Teenagers' rates from U.S. Department of Labor, Draft-Fact Book.

Table 9

Labor Force Participation Rates By Race
and Sex
1960-1980

	1960	1970	1980
Black			
Males	83%	77%	71%
Females	48	50	53
White			
Males	83%	80%	78%
Females	37	43	51

Source: U.S. Bureau of the Census: Statistical Abstracts, 1981.

Table 10

COLLEGE ENROLLMENT OF PERSONS 18-24 YEARS OLD, AND PERCENT OF HIGH SCHOOL GRADUATES, BY RACE 1960 to 1980

(In thousands, except percent)	All Persons		
YEAR	Total[1]	White	Black
College enrollment			
1960[2]	2,215	2,081	134[3]
1970	5,805	5,305	416
1975	6,935	6,116	665
1980	7,226	6,334	668
Percent of high school graduates enrolled:			
1960[2]	23.7	24.2	18.4[3]
1970	32.7	33.2	26.0
1975	32.5	32.4	32.0
1960	31.8	32.0	27.8

1/ Includes other races, not shown separately.

2/ As of April.

3/ Includes Black and other races.

Source: U.S. Bureau of the Census, U.S. Census of Population: 1960, Vol.1, Characteristics of the Population, Part 1; Current Population Reports, series P-20, Nos.222,303, and unpublished data.

TABLE 11

EDUCATIONAL ATTAINMENT OF PARENTS OF COLLEGE STUDENTS BY RACE, 1970-1979

	Black Students[3]	
Parent's Education[2]	1970	1979
Children in College[1]	390	638
Percent	100	100
College-Educated	26	24
College, 4 or more yrs.	14	12
College, 1-3 yrs.	12	12
H.S. Graduate	21	31
Not H.S. Grad.	54	45

	White Students[3]	
Parent's Education[2]	1970	1979
Children in College[1]	4,411	5,050
Percent	100	100
College-Educated	41	54
College, 4 or more yrs.	26	36
College, 1-3 yrs.	15	18
H.S. Graduate	36	32
Not H.S. Grad.	24	14

1 Number of college students in thousands.
2 Educational attainment of head of family with college student.
3 Family members, 16-34 years old enrolled full-time or part-time in college.

Source: Prepared by NUL Research Department from U.S. Bureau of the Census, Current Population Reports, "School Enrollment - Social and Economic Characteristics of Students," Series P-20.

TABLE 12

PERCENT DISTRIBUTION OF FAMILIES BY INCOME LEVEL AND EDUCATIONAL ATTAINMENT BY RACE 1980

EDUCATIONAL ATTAINMENT	Under $5,000	$5,000-9,999	$10,000-14,000	$15,000-19,999	$20,000-24,999	$25,000-29,999	$30,000 39,000	$49,000-49,999	$50,000 and over	Median Income
Black Householder										
High School										
1-3 years	20.7	27.3	19.4	12.0	7.6	5.5	5.1	2.4	-	$10,457
4 years	12.9	21.6	17.1	14.5	12.6	9.2	8.6	2.9	.7	$14,465
College										
1-3 years	8.7	14.0	19.2	13.8	12.8	13.3	13.7	3.4	1.0	$18,098
4 years or more	5.4	9.0	12.8	14.3	11.8	13.0	17.4	7.7	8.7	$23,282
White Householder										
High School										
1-3 years	7.4	18.3	19.4	16.8	13.6	10.2	9.5	2.9	1.8	$16,347
4 years	3.7	9.5	15.8	16.6	17.3	14.1	14.2	5.3	3.5	$21,205
College										
1-3 years	2.9	7.3	12.4	15.2	17.6	15.1	16.6	7.3	5.7	$23,357
4 years or more	1.1	2.9	6.8	10.6	14.1	13.6	21.4	12.1	17.3	$30,321

Source: Statistical Abstract of the United States, 1981. U.S. Department of Commerce, Bureau of Census.

TABLE 13

EDUCATIONAL ATTAINMENT BY RACE
1960-1980

Persons 25 yrs. & Older	1960 B	1960 W	1970 B	1970 W	1975 B	1975 W	1980 B	1980 W
Elementary								
4 years	23.8	6.7	15.1	4.2	12.3	3.3	9.2	2.6
5-7 years	24.2	12.8	16.7	8.3	14.3	6.6	11.0	5.3
8 years	12.9	18.1	11.2	13.6	8.5	10.6	7.2	8.4
High School								
1-3 years	19.0	19.3	23.3	16.5	22.3	15.0	21.2	13.2
4 years	12.9	25.8	23.4	35.2	27.1	37.3	30.9	37.7
College								
1-3 years	4.1	9.3	6.9	10.7	9.0	12.8	12.5	15.1
4 years or more	3.1	8.1	4.5	11.6	6.4	14.5	7.9	17.8
Median school years completed	8.0	10.9	9.9	12.2	10.9	12.4	12.0	12.5

Source: Statistical Abstract of the United States, 1981.
U.S. Department of Commerce, Bureau of the Census.

TABLE 14

Black High School Dropouts 14 to 24 Years Old
1970 and 1980

AGE	1970 #	1970 % of Population	1980 #	1980 %
14-17 years	150,000	7.4	102,000	4.5
18-21 years	500,000	30.5	486,000	23.0
22-24 years	397,000	37.8	346,000	24.0
Total	1,047,000	22.2	934,000	16.0

SOURCE: Statistical Abstract of the United States: 1981
U.S. Department of Commerce, Bureau of the Census

Black College Enrollment of Persons Aged 13-34, 1960-80
By Sex

	1960 #	1960 %	1970 #	1970 %	1980 #	1980 %
Male	125,000	3.5	253,000	3.4	437,000	4.3
Female	102,000	2.9	269,000	3.6	570,000	5.6
Total	227,000	6.4	522,000	7.0	1,007,000	9.9

SOURCE: Statistical Abstract of the United States: 1981
U.S. Department of Commerce, Bureau of the Census.

(Percent of total enrollment of all groups aged 13-34 years)

Table 15

Type of Family By Race - Number and Percent
1970 and 1980

	1970			
	Black		White	
	No.	%	No.	%
Total Families	4,928		46,535	
Married couple families	3,235	(65.6)	41,092	(88.30)
Wife in paid labor force	1,747	(54.0)	15,651	(38.08)
Wife not in paid labor force	1,488	(45.9)	25,441	(61.9)
Female householder (No husband)	1,506	(30.5)	4,386	(9.4)

	1980			
	Black		White	
	No.	%	No.	%
Total Families	6,317		52,710	
Married couple families	3,392	(53.7)	44.860	(85.1)
Wife in paid labor force	2,022	(59.6)	22,138	(49.3)
Wife not in paid labor force	1,370	(40.4)	22,722	(50.6)
Female householder (No husband)	2,634	(41.7)	6,266	(11.9)

CHANGE 1970-1980

	Black		White	
	No.	%	No.	%
Total families	1,389	28.2	6,175	13.2
Married couple	157	4.8	3,768	9.2
Wife in paid labor force	275	15.7	6,487	41.4
Wife not in paid labor force	-118	7.9	-2,719	10.7
Female householder	1,128	74.9	1,880	42.8

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 127, Money Income and Poverty Status of Families and Persons in the United States: 1980.

Table 16

Type Of Family By Race and Median Income (in current dollars)
1970-1980

	1970		1980	
	Black	White	Black	White
Married couple families	$7,816	$10,723	$18,593	$23,501
Wife in paid labor force	9,721	12,543	22,795	27,238
Wife not in paid labor force	5,961	9,531	12,419	19,430
Female households (No husband present)	3,576	5,754	7,425	11,908

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 127, Money Income and Poverty Status of Families and Persons in the United States: 1980.

Table 17

Characteristics of Black Female Family Householder With No Spouse Present
1960-1980

	1960	1970	1980
Median age (years)	43.8	41.3	37.6
Percent, by marital status			
Single (never married)	10.8	16.2	27.2
Married, spouse absent	37.4	39.7	28.7
Widowed	40.2	29.9	22.2
Divorced	11.6	14.2	21.9
Percent, by presence of children under 18			
No own children	44.4	33.5	28.2
With own children	55.6	66.6	71.8
Children under 18 in all families (mil.)	8.4	9.3	9.2
Percent living with			
Both parents	69.2	58.7	42.4
Mother only	20.6	30.8	44.1

Source: U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 366, and series P-23, No. 50.

Table 18

Birth Rate Per 1000 Population
1960-1979

	Black and other	White
1979	22.8	14.8
1975	21.2	13.8
1970	25.1	17.4
1960	32.1	22.7

Source: U.S. Bureau of the Census, Statistical Abstract of the United States: 1981.

Table 19

Life Expectation At Birth By Race and Sex:
1978 (in years)

Black		White	
Male	Female	Male	Female
65.0	73.6	70.2	77.8

Source: U.S. National Center for Health Statistics, Vital Statistics of the United States.

Table 20

Births to Date and Lifetime Births Expected per 1,000 Women 18-23 Years Old, by Race: 1979

	Black	White
Births to Date	1,509	1,095
Percent of Lifetime Births Already Born	67.5%	53.4%

Source: Current Population Report, Series p-20, No. 358, Fertility of American Women: June, 1979, Washington, D.C., 1980.

Table 21

Estimated Number of Births to Nonwhite Unmarried Women and Percent of All Non-white Births: 1950-1979

Year	No. (1,000)	Percent of all Non white Births
1979	334.8	48.8
1978	310.2	47.6
1977	295.5	46.5
1976	271.0	45.2
1975	261.6	44.2
1970	223.6	34.9
1965	167.5	26.3
1960	141.8	21.6
1955	119.2	19.4
1950	88.1	16.8

Source: National Center for Health Statistics, Vital Statistics of the United States (annual.)

Table 22

Estimated Number of Out-of-Wedlock Live Births in the United States to Females 19 Years of Age or Less, by Race

Year	All Races	Whites	Nonwhites	Nonwhite % of Total Births for All Races
1978	249,100	111,700	137,400	55%
1977	247,700	110,400	139,300	56%
1976	235,300	101,100	134,200	57%
1975	233,600	97,500	136,100	58%
1974	221,300	88,400	133,100	60%
1973	215,700	84,300	131,500	61%
1972	212,100	81,300	130,900	62%
1971	203,500	78,600	125,300	62%
1970	199,900	81,900	118,100	59%

Source: National Center for Health Statistics, Vital Statistics of the United States (Annual).

THE ECONOMIC STATUS OF THE BLACK POPULATION

By

David H. Swinton*

I. INTRODUCTION

As has been the case in previous editions of the National Urban League's State of Black America, the primary thrust of this essay is to examine the recent economic status of the black population. As Dr. Bernard Anderson noted in last year's essay on the economic status of the black population, each year's essay on the economy has had a familiar ring to it. This year is not different. Blacks continue to be economically unequal and most of the same problems pointed to in earlier volumes still persist.

This year's essay is being written at a time when the nation is in the grip of the most serious recession of the post-war era with few signs that any relief is on the way. In October 1982, 2,299,000 blacks were unemployed according to the Bureau of Labor Statistics. This represented an increase of 424,000 black individuals on the unemployment rolls since October 1981. Moreover, the entire increase was among black adult workers. The October unemployment rate of 20.0% indicated that one out of every five black labor force participants was out of work. These numbers do not even take account of those working part-time involuntarily, the discouraged

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*I would like to acknowledge the helpful comments of colleagues, although the author takes sole responsibility for the content. I would also like to thank Ms. Sondra Brooks, Ms. Ruthie Miles and Ms. Cynthia Graham of the Policy Center's clerical support staff--Ms. Danetta Mathews, Ms. Carol Murphy and Ms. Myra Murphy--deserve congratulations for their patience and diligent efforts in producing the final document.

workers, and labor force dropouts. Black teenage unemployment which was already 46% in October 1981 fluctuated around the 50% level throughout 1982.

Most of the indicators with which to measure the overall impact of the recession on the black economic position will not be available for another year or more. Nonetheless, previous experience makes it clear that the current recession will exacerbate racial economic inequality. It will further erode black income and increase black poverty and dependency on welfare. Moreover, in view of the cuts that have been made in government budgets for programs to aid the poor and needy in the last few years, the impact of the recession has probably been even more devastating for low and moderate income blacks. The recovery will be slow at best, and perhaps hundreds of thousands of blacks will never again regain their pre-recession status.

But this essay is not primarily concerned with assessing the impacts of the current recession. As in previous years, we are concerned with assessing the fundamental economic state of the black population. Recessions come and recessions go but racial inequality remains with us year in and year out, in good times and bad. Our goal, therefore, is to assess the relative economic status of blacks abstracting from the extraordinary difficulties created by the current recession. The data analyzed in this study indicate that progress in improving the black economic position had ceased long before the current recession and long before President Reagan took office. However, indications are that the relative decline has probably accelerated during the Reagan years.

Because income is probably the most useful single measure of economic position, we have chosen to focus our essay primarily on an analysis of trends in the levels and sources of black income. Income determines how well one eats, dresses, and is housed. It also determines where one lives and goes to school. It determines one's ability to raise a family, the type and quality of education that one can provide for one's children, and myraid other things. Higher incomes, in general, provide the potential for taking care of more human needs. Thus, the choice of income as the primary indicator for this essay is appropriate.

In this paper, we will discuss the current income of blacks in comparison to past income, poverty levels, and the income of whites. The latter measure, however, is considered to be the primary indicator of the extent to which blacks have achieved a satisfactory economic status.

The basic findings of this analysis will shock no one. Blacks continue to have an economic status that is substantially below that of white Americans. Their deprivation exists in every region of the country and in every place of residence. There is some variation in the degree of inequality but it is great in every location. Moreover, blacks have essentially made no progress over the decade of the 1970s in improving their living standards either in an absolute or relative sense. Their inequality has stagnated or increased in all regions of the country and things have worsened faster since the mid 1970s. Poorer blacks have, in general, fared worse than richer blacks.

This paper will be divided into five basic sections. In the first section, relying primarily on income data, we will be interested in what is happening to black living standards in an absolute sense and relative to the white population. In the second section, we shall examine the various sources of income. The third section will examine the labor market status of blacks. We shall focus on black employment and black wage rates. Finally, we will conclude with two brief sections. The first will analyze the relative merits of orthodox and non-orthodox explanations of racial inequality in economic life. The second will provide a brief discussion of the policy implications of the analysis.

II. THE INCOME STATUS OF THE BLACK POPULATION [1]

Aggregate Income and Poverty Rates

Blacks continue to have average incomes that are considerably lower than white incomes. During 1980, the latest year for which published income data is available, the black population had an aggregate income of $127 billion, divided among a population that contained about 26,455,000 persons. Thus, the per capita or person income of the black community was $4,804. In the same year, white families received an aggregate income of $1,590 trillion shared among an estimated 193,075,000 persons, yielding an income of $8,233 for each white person. In simple terms, the average black had $58 for each $100 available to the average white.

Moreover, as measured by their constant dollar per person income, the standard of living for the black population has been declining for the past several years. (See Table 1). The 1980 person income in constant dollars was lower than it had been since 1977. This was clearly a result of the recession of 1980. Relative to whites, black per capita income in 1980

though higher than it was in 1970 was lower than it had been since 1974, indicating that the 1980 recession had a more serious impact on black than on white income. The 1981-1983 recession will probably eliminate the rest of the small improvement made in the relative per capita income of blacks in the late 1960s and early 1970s, and it is likely that the relative black per capita income will decline to below the pre 1960s level again.

According to 1980 data, one out of three blacks continued to be mired in poverty. In comparison, fewer than one out of ten white persons was below the official poverty level. Moreover, there has been no significant change in the proportion of persons below the poverty level in the last ten years.[2/] The 1980 proportion of blacks in poverty is exactly what it was ten years earlier in 1970. The proportion in poverty declined marginally until about 1975 but has increased since that period. The experience has been similar for both the black and white populations.

These per capita income and poverty rate data provide an important indication of the current economic status of blacks. They tell us that blacks are doing slightly better on the average than ten years earlier but absolutely worse than they have at any other point in the past five years. The situation moreover, was deteriorating in the second half of the decade even before the onset of the current recession. Although the data are not yet available, the current recession has very likely produced even greater poverty, income inequality, and erosion of the black standard of living during 1981-82.

Family Income

Another more familiar indication of black economic status is the amount of income available to the typical black family. (See Table 2).

Since individuals usually live in families, this measure is considered to provide a somewhat more accurate indication of the well-being than per person income. However, this indicator tells qualitatively the same story as the per person income indicator. The median income of black families is lower, unequal and declining. The median income of black families in 1980 was $12,674. During 1980, about 29% of black families and 31% of the persons living in black families were below the poverty level. On the other hand, the median income of white families was $21,904, with less than 9% of the persons in white families below the poverty level.

The standard of living of black families has declined in recent years. In fact, the purchasing power of the median income of black families in 1980 was slightly lower than it had been in 1970.(See Table 2). Since the start of the 1970s, there has been no increase in the real median income of black families. This experience during the 1970s contrasts sharply with the experience of the two previous decades; during the 1950s, constant dollar median family income of blacks increased 29%, while during the 1960s, it increased 55%.

Moreover, during the 1970s, money income of black families increased at a slightly lower rate than for white families, so that by the end of the decade, black families had lost ground relative to white families. Black families received $61 for each $100 white families received in 1970, this had declined to $58 for each $100 by 1980. Given the trends of the 1970s, it is clear that the current recession will cause further deterioration in the income position of black families.

Income Trends in Regions and Places of Residence

The low and unequal economic status of blacks revealed in the aggregate national data also is reflected in data for each of the separate census regions and places of residence. (See Table 3). In each region, black income in 1980 was substantially below white income. Moreover, in each region the level of inequality was greater than it had been in 1970. Incomes in the non-southern regions were higher and more equal than incomes in the south during 1980, although the size of the gaps declined during the decade. However, in the Northeast and North Central regions, there was a sharper decline in the constant dollar median family income both absolutely and relative to whites. The data indicate a slight increase in the absolute income of blacks in the West. The South is the only one of the census regions in which there was a clear cut improvement in black living standards over the decade, although as mentioned, there was a slight increase in inequality. In contrast, during the previous decade standards of living improved in all regions. The degree of inequality held steady in the non-south, while it decreased sharply in the south.[3/]

In 1980 black families received their highest incomes in large metropolitan areas and their smallest incomes in non-metropolitan areas. (See Table 3). The incomes of blacks living in the suburbs of the largest metropolitan areas were substantially larger than the incomes of blacks in all other places followed by the income of central city blacks in large metropolitan areas.[4/]

Blacks had incomes that were substantially lower than whites in each place of residence during 1980. Inequality was less in larger metropolitan areas. In both the central cities and the suburbs of such locations,

the ratios of black to white income were larger than in any of the other areas (.64 and .68 respectively). Blacks experienced greatest inequality in non-metropolitan areas and the central cities of smaller metropolitan areas. The black/white income ratio was .54 in each of these areas. Between 1970 and 1980, the only place where black/white income inequality was reduced was in non-farm non-metropolitan areas. Overall inequality remained constant in the suburbs of smaller metropolitan areas and increased everywhere else, with the sharpest deterioration occurring in the central cities of smaller metropolitan areas. Thus, over the decade, in general, no progress was made in reducing racial inequality regardless of region or place of residence.

Trends in the Distribution of Income

An examination of the trends for blacks with high and low income, reveal that the trends for these two ends of the income distribution differed over the last decade. The data in Table 4 show the amounts of income that define the upper limits of each fifth of the income distribution for both the white and the black community in 1970 and 1980. For example, if a member of the group classified as black and others (i.e. non-white races) received an income of $5,928 or less in 1980, that family would have been among the poorest 20% of black and other families, while a white family could have up to $11,310 and still have fallen among the poorest 20% of white families.

It is easy to observe from the data in Table 4, that in 1970, families at both ends of the black income distribution had significantly lower incomes than white families at comparable points in the white distribution. The poorest blacks were substantially poorer than the poorest whites, and the wealthiest blacks were a good deal less wealthy than the

wealthiest whites. However, it is significant that higher income blacks had incomes that were relatively closer to the incomes of higher income whites than the incomes of lower income blacks were to the incomes of lower income whites.

For example, the upper limit of the lowest 20% of the black and other income distribution was only 52% of the upper limit for the lowest 20% of the white income distribution, whereas the lower limit of the top five percent of black family and other income distribution is 79% of the lower limit of the top five percent of the white distribution.

Comparisons of 1970 and 1980 data suggest that the absolute decline in black living standards was limited to the 40% of the black families with the lowest incomes while the standard of living of upper income black families increased moderately. Thus, the poorest blacks got poorer in real terms while the richest blacks got richer. A similar pattern also held for white families except that at the lower income levels, they experienced a more moderate decrease in their real incomes and higher income whites made smaller percentage gains than higher income blacks.

The next table suggests that during the past decade the proportion of black families with very low income increased. For example, the proportion of black families receiving less than $5,000 a year in money income increased from 15.2% in 1970 to 16.6% in 1980, and the proportion receiving incomes less than $10,000 increased from 36.5 to 40.4%.

Also, the proportion of blacks earning more than $25,000 and $35,000 was higher in 1980 than it had been in 1970 (19.8% vs. 18.5% and 7.0% vs. 5.1% respectively. Similar trends occurred for white families although the changes at both ends of their income distribution were less pronounced. This increase in the pro-

portion of very low income blacks reversed a decline that had been occurring since the 1950s.

III. SOURCES OF INCOME

Income is derived from three basic sources--labor income, property income and transfer income. In this section, we will briefly examine the patterns of receipt for each of the three kinds of income by the black and white populations to identify the role that trends in the receipt of each type of income has played in generating the overall trends in per capita and family income.

This examination reveals that blacks receive considerably lower incomes from all sources. During the decade, little significant progress was made in reducing income inequality in any of the sources. The importance of the sources shifted during the decade with labor earnings becoming less important and transfers and property income becoming somewhat more important. A summary of the basic information that will be discussed in this section is contained in Tables 7A for 1980 and 7B for 1970.

Receipts From Labor Earnings[5/]

Labor income consists of wage and salary income, and income from agricultural and non-agrcultural self-employment. In 1980, a larger proportion of the population received wage and salary income than any other type of income (about 59% of blacks and 63% of whites). Fewer than 6% of whites and 2% of blacks received non-farm self-employment income in 1980. Farm self-employment income is marginal for both groups, received by only 0.2% of black persons and 1.2% of whites.

Between 1970 and 1980, the proportion of blacks receiving each form of employment income fell slightly, while the proportion of whites receiving employment income increased.

In 1980, the overwhelming majority of income for both black (81.5%) and white (81.1%) was derived from labor earnings, representing a decline from 1970 when blacks earned 86.9% and whites earned 86.7% of their income from labor. Evidently, labor income grew at a slower rate than other sources during the decade. This low rate of growth for labor income accounts for much of the failure to improve black living standards and reduce income inequality during the last decade.

In terms of per person income, blacks derived about $3,920 from all sources of labor earnings in 1980 as compared to $6,682 for whites. Thus, in 1980 there was substantial inequality with blacks receiving only about $59 for every $100 that whites received from labor earnings. The degree of inequality was greatest for self employment income with blacks receiving about $1 for every $5 received by whites, and least for wage and salary income with blacks receiving about $3 for every $5 received by whites from the latter source.

Between 1970 and 1980, both blacks and whites made real gains in the constant dollar amount of per capita income received from wages and salaries. However, for both blacks and whites the gain was due primarily to the increased per capita contributions of females. For blacks, an increasing proportion of their total population was of working age. Moreover, the earlier analysis of trends in per capita income suggests that most of this improvement probably occurred during the first part of the decade. Overall, total per capita income in constant dollars derived from all labor sources was 11.5% higher for blacks in 1980 and 6.7% higher for whites than it was in 1970. The relative labor earnings of blacks

compared to whites, thus improved slightly between 1970 and 1980 in terms of per capita receipts derived from labor earnings

Receipts From Property Income

Much less information is available concerning property income receipts than is available about the other sources of income. Property income represents payments for the use of real or financial assets. It is distributed to individuals on the basis of their shares of ownership of these assets. This category of income includes interest, dividends, net rental income, income from estates and trusts, and royalties. This income category is generally considered to be less accurately reported than wage and salary and other forms of income. Moreover, property income also excludes capital gains income which is a very important source of income for the wealthy. It is therefore likely that Census income reports significantly overstate the relative share of property income received by blacks and understate the relative importance of this income source.

In any case, the proportion of blacks having property income increased four-fold from 5.3% to 22.3% between 1970 and 1980 while the proportion increased two-times-and-a-half for whites from 24.3% to 61.1%. Thus, in this ten-year period, there was a virtual explosion in receipt of property income. Moreover, examination of data for the intervening years suggest that this growth occurred mainly in the latter half of the decade.

Indications are that this explosive growth was caused almost entirely by a rapid expansion of the numbers of individuals receiving small amounts of interest income. More than 21% of the black population and 59% of the white population received interest income in 1980. Thus, more than 94% of black and 97% of white property income recipients received interest income.

Moreover, the data suggests that most of these recipients of property income received very small amounts of income from this source. The median income for black interest recipients in 1970 was $72. The corresponding figure for whites was $144. Few of the black income recipients received large sums--69% of black interest recipients received less than $100 and 90% received less than $500 while only 1.3% received more than $3,000. Thus, while a large number of property recipients for both groups consist of small interest recipients, blacks are much more concentrated among the very small recipients.

Overall, in 1980, blacks received only 1.2% of their aggregate income from property sources. This was up from 0.6% in 1970. Whites received much more to their income from this source--6.4% up from 4.6%. In 1980, total per capita income from property receipts for blacks was $58.94, about 11% of the white per capita income. Except for the farm income ratio which is statistically unreliable, property income has the greatest degree of inequality in both 1970 and 1980 of all types of income.

A quick calculation indicates that inequality in property income accounted for 13.7% of the 1980 gap in black/white income and 9.7% of the inequality gap in 1970.

The limited incomes of blacks suggest little prospects for significant reductions in property income inequality. The current low levels of income producing property ownership in the black community is clearly indicated by the low levels of receipt of property income. If income continues to shift toward property, this would further exacerbate black/white income inequality.

Receipts From Transfer Income

Transfers are a very important source of income for both the black and white populations. Transfers include all income that is not received as a result of current labor or property earnings. Some of these sources such as retirement and pensions are based on previous earnings. Other sources like unemployment insurance, veterans benefits, and social security are partially pure transfers. Finally, welfare and public assistance incomes, alimony and child support are pure transfers received on the basis of need rather than previous work efforts. Tables 7A and 7B include data for total transfer receipts as well as separate data for the receipt of social security, retirement, and public assistance incomes. Each set of data will be discussed separately.

In 1980, 39% of the black population received some form of transfer income. This was a slightly larger proportion than the 34% of the white income recipients who received transfer income.

From all transfer sources combined, blacks received 17.5% of their 1980 aggregate income. This had increased substantially since 1970 whan all transfers provided only 12.6% of income. In both years, the proportion of black income originating from transfer payments, was significantly higher than the proportion of white income (8.6%, 1970 and 12.6%, 1980) originating from this category. Despite the higher proportions of blacks who received transfer income and the higher proportion of black income derived from transfers, blacks who received $843.44 per capita income from transfers in 1980, received smaller per capita income from transfers than did whites who received $1,036.09. Nonetheless, this still makes the transfer category the most equal source of incomes.

However, when we examine the various sources of transfer income, we find that blacks and whites derive their transfer receipts from different sources and the degree of inequality varies significantly by source. In general, blacks receive proportionately a lot more of the "pure" transfer and proportionately much less of the "earned" transfer income. The mixed transfers occupy an intermediate position.

Receipts From Social Security Income

In 1980, 16% of black persons received social security and 3.3% received retirement as compared to 18.3% of the white population who received social security and 6.8% who received retirement income. For both groups, there

were significant expansions in the proportion receiving social security income between 1970 and 1980. While blacks had a modest increase in the proportion receiving retirement income, whites had a much larger increase.

In terms of amounts of income, both blacks and whites derive the largest proportion of their transfer receipts from social security income. Blacks receive 6.7% of their income from this source compared to 6% for whites. However, with per capita receipts of only about $319 from this source, blacks receive about 64% of the per capita income that whites receive. For both groups the constant dollars receipts from social security income are up substantially over the decade (up 93% for blacks and 70% for whites). Given the higher rate of growth of black per capita income from social security, inequality in this source decreased moderately between 1970 and 1980. Nonetheless, blacks still receive only about $3 per person from social security receipts for every $5 received by whites. Overall, in 1980, inequality in social security income accounted for about 5.3% of the overall income inequality gap.

Receipts From Retirement Income

Blacks received only $101.41 per capita from retirement income against $275.48 for whites in 1980. The black/white ratio of 38% makes this source one of the more unequal sources of income. This is probably due both to differences in the age distributions of the two populations and differences in the probability of retirement income among older blacks. This category for 1980 is not strictly comparable to the 1970s category and thus no cross-time comparisons can be made. Roughly 5.1% of the overall income inequality gap in 1980 was due to inequality in this source.

Receipts From Public Assistance

Blacks receive substantially higher proportions of their incomes from public assistance than do whites. This was true both in 1970 and 1980. However, the proportion of income derived from welfare decreased between 1970 and

1980 for blacks and remained roughly fixed for whites. Black persons received eight times as large a share of their income from public assistance in 1980 as whites. This relatively high proportion of personal income derived from public assistance rates also exist for black families as shown in Table 8. Between 1969 and 1979, the proportion of black family income coming from welfare receipts increased from 4.2% to 5.2%. However, the data indicate that the proportion of income coming from welfare peaked in 1971, stabilized until 1976, and has declined subsequent to 1976. Thus during the latter part of the 1970s, the degree of black dependency on welfare as a proportion of total income declined.

In per capita terms, the black population derived more than four times as much income from welfare receipts of persons and almost five times as much from the welfare receipts of families as did whites. Thus welfare income is the only source from which blacks received higher incomes than whites. This is clearly a reflection of the greater poverty of the black community. The data, however, indicate that the increase of per capita income from welfare for both blacks and whites was around 13%, which is substantially lower than the growth in other forms of transfer income.

Since the black receipts from welfare income exceeds the white receipts by a substantial margin, this source of income actually led to a reduction in overall income inequality. In 1980, blacks' higher per capita receipt of welfare income reduced total income inequality by about 5.3%.

In summary, over the past decade, the sources of income shifted away from labor income in both the black and white communities towards transfer income and to a lesser extent, property income. Black relative income gains in all sources, generally at least matched white gains. Thus there was a slight improvement in the ratio of black to white per capita incomes. How-

ever, the relative reduction in income inequality was very modest for all sources. Blacks tended to be relatively more dependent on wage and salaries and transfer income than whites both in 1970 and 1980. Within the transfer category, whites receive more social security and retirement income and blacks receive substantially more public assistance income. All sources of income, except welfare, contribute to the overall inequality. However, labor income is by far both the most important source of black income and the most important source of the overall income inequality. We now move to a more detailed discussion of black labor market status.

IV. LABOR MARKET STATUS

In the grips of the worse recession of the post-war period during 1982, the labor market status of blacks has deteriorated to its worse position in 40 years. (See Table 9). However, an examination of the data in the table accompanying this section will make it clear that blacks have consistently experienced a relatively disadvantageous labor market position in good times and bad. Black workers typically have higher rates of unemployment, obtain fewer high paying jobs, more low paying jobs, and have lower wage rates than whites. The combination of obtaining less work and lower paid work results, as we have seen, in blacks obtaining significantly smaller amounts of income from labor than whites.

This review will begain with data on current trends in the characteristics of black workers. We will next explore current experiences in gaining employment. Finally, we will review the recent wage rate experiences of blacks.

Both wage rates and employment levels are widely believed to depend on the personal characteristics of the worker such as education, age, the sector of employment and the type of occupation.

Data describing the characteristics of black and white workers in 1980 and 1970 are summarized in Tables 10A and 10B.

Age

In 1980, both black male and female workers tended to be somewhat younger than their white counterparts. About 54% of the black men and 51% of the black women working-age populations were below age 35 while only about 46% of white men and 43% of white women were that young. Since younger workers tend to have lower rates of employment and earnings, this would tend to slightly depress aggregate black employment and earnings. On the other hand, this disadvantage is offset to some degree by the greater proportion of whites who are over 55 years old--25 vs. 20% for males and 30 vs. 22% for females. Thus on balance, the black age distribution may be nearly as favorable to aggregate measures of labor market success as the white distribution. Both groups tend to have nearly equal proportions in the prime working age, the 25 to 55 years old group, although, the white concentration at the upper end of this group would tend to slightly favor white male median wages, other things being equal.

Between 1970 and 1980, there was a decline in the proportion of teenagers in the black population and a significant increase in the proportion of the workforce in the 20 to 35 year-old age group. The pattern was similar for both black males and females. The white age distribution shifted similarly so that there was, on balance, little shift in relative advantages because of the age distribution. However, this shift should have led to an absolute improvement in the earnings of black workers.

Educational Attainment

In 1980, the black male and female population over age 25, which is considered the prime working age population, had a significantly lower distri-

bution of educational attainment than the white population. Both sexes tended to have larger proportions completing fewer years of school and smaller proportions completing greater years of school. The median education of both sexes, however, were nearly equal to the white median. However, the proportions of black college graduates were significantly smaller, especially for males.

Between 1970 and 1980, there was a sharp improvement in the relative educational attainment of blacks. Black representation at the lower levels of completion declined dramatically and black representation at the higher levels increased significantly both absolutely and relative to whites. Blacks made especially great progress in increasing their proportion of high school graduates and the proportion with some college more than doubled. The gaps in median education for both males and females were almost closed. The educational change suggests improving relative status for blacks. Since this change was brought about by significant convergence in the under-35 year old groups, these age groups should have experienced the greatest relative gains in employment and wage rates.

Class of Worker

In 1980, about 20% of black males and 28% of black females were classified as government wage and salary workers. Both sexes were more than 50% likely to be employed in the government sector than whites. Black males had roughly the same proportion of their workers classified as non-agricultural private wage and salary workers as white males (73.9% blacks vs. 74.2% white).[6/] However, in the same category, the rate for black females was 69% vs. 76% for white females. Both black men and women are less likely to work as self-employed workers than white.

Between 1970 and 1980, the proportion of black men employed as wage and salary workers in the private non-agricultural sector increased, while the

proportion who were self-employed or employed as wage and salary workers in the agricultural sector decreased. These shifts in both the black male and female class of worker distributions should have been favorable for both their employment and wage rates.

Occupation

In 1980, black workers of both sexes had significantly less favorable occupational distributions than did white workers. In general, black workers tended to be concentrated in the lower-paying, less prestigious occupations. Moreover, since each of the broad census categories covers such a wide range of occupations, these figures probably understate the black occupational disadvantages.[8/] In 1980, only about 33% of black males were employed in the four highest paid male occupational categories (professional, managers, salesmen and craftsman) while 59% of white men were employed in these categories. Similarly, while 32% of white women were employed in the professional, managerial and sales categories, only 19% of black women were so employed.

However, the occupational position improved for both black men and women between 1970 and 1980. This can be seen in Tables 10A and 10B by the increases in the black/white ratios in the higher occupations and the declines in the lower occupations. These occupational shifts should have been favorable to black men and women's employment and earnings.

In summary, the personal characteristics of black workers and their distribution among types of jobs have continued to be relatively unfavorable. However, in the recent past, these characteristics changed in ways that should have made a favorable impact on the labor market position of black workers. We therefore turn to an assessment of recent employment and wage rate experiences for black workers.

EMPLOYMENT EXPERIENCE

Unemployment Rates

The most commonly used indicator of the relative difficulty which blacks experience getting jobs is the unemployment rate. The well-known 2:1 rule of thumb which says black unemployment rates will be double that of whites, has provided an accurate summary of black disadvantages in unemployment throughout the post-war period (See Table 11). This rule holds for blacks of all ages, both sexes, all educational levels, in all regions of the country, center cities and in the suburbs. No progress was made towards disrupting this relationship in the past decade or so.

As a matter of fact, the relative unemployment position of blacks appears to have deteriorated after the mid-1970s recession as black employment never completely recovered from that recession. The unemployment rates of black workers has been above 12% every year since 1975. For black teenagers, unemployment has been above 34% in each of these years. Moreover, even blacks aged 25 to 34 have experienced unemployment rates above 10% every year since 1975. While, for the country as a whole, unemployment has remained high since the mid-1970s, white workers have fared much better than black workers during this period. In the last several years, unemployment in the black community has reached absolute and relative levels that have not been observed since the 1958 - 1963 period. The high rates of unemployment now being experienced by black workers under age 35 have never been observed in post-war history.

Labor Force Participation Rates

However, unemployment is only one indicator of the absolute and relative success of blacks at obtaining jobs. The unemployment rate measures the proportion of the active labor force that is actively seeking, but is unable

to find jobs. The labor force participation rate which measures the proportion of the working age population in the active labor force, also helps determine the amount of employment obtained by blacks (See Tables 12A and 12B). In 1981, 69.7% of black males participated in the labor force compared to 77.9% of whites of working age. The participation rate for black males was thus about 90% of the participation rate for white males. Black males participated in 1981 at a lower rate than white males within each age group and for every education level except for those who have four years of college. The relative participation disadvantage,however, is greatest for younger blacks.

Black females who participated at a rate of 53.4% had a slight participation rate advantage over white females who participated at a rate of 52%. White females under the age of 25, however, participated at a considerably higher rate than black females in the same age group, while black females in the above 25 age-range participated more frequently than white females. Black females at each educational level also participated at higher rates than white females.

Over the past decade, although the participation rate of males from both races declined, the rate of participation for black males declined at a faster rate than it did for white males. Thus the ratio of black male to white male labor force participation declined between 1970 to 1981 from 96% to 90%. The participation rates for black women also declined relative to the participation rate for white women. However, almost all of this decline was due to increases in the white female labor force participation rates.

Employment To Population Ratios

The net result of lower participation and higher unemployment is to reduce the proportion of the black population with jobs. The employment population ratio is a convenient summary measure for the overall impact of these two factors, since it measures the average proportion of the working age population which has a job. (See Table 13). In 1981 for example, the average proportion of black males working was about 60% while the average proportion of white males employed was about 74%. Thus, only, about 80% as many black males as whites were employed during 1981. Moreover, despite their slightly higher labor force participation rates, black women had slightly smaller proportions employed (45%) than white women (48%).

During the post-war period the overall employment population ratio for blacks exceeded the employment-population ratio for whites until about 1969. However, since 1969, the black employment-population ratio has decreased from about 57 to 52%, while the employment-population ratio for whites has increased from about 57 to 60%. Thus, while blacks and whites had equal proportions employed in 1969, only about 87% as many blacks as whites were employed by 1980.

Work Experience-Year-Round-Full-Time Employment

The relative decline in the rate of employment in the black community has important implications for black labor income. Blacks who are unemployed or who do not participate, obviously have no income. Moveover, the indicators discussed above do not account for the difference in the extent of part-time work. Since blacks are more likely to be involuntarily employed part-time, their relative employment position is slightly worse than indicated by the employment population rate.

The best summary measures of the employment disadvantages of blacks are based on work experience data. In 1980, black males had a total working age population of about 8,448,000. Of this, 5,704,000 had some work experience. Approximately 68% of black males worked at some point during 1980 while about 79% of white males worked. On the other hand, 53% of the 10,317,000 black women of working age had work experience during 1980 compared to 56% of white women. Only 56% of those black males who worked during 1981 worked full-time year-round compared to 66% of white males with work experience. This number reflects the higher proportion of blacks that work part-time and who were unemployed or non-participants for part of the year only. On the other hand, although black females are less likely to work during the year, if they do work, they are somewhat more likely to work full-time year-round (49%) than are white females (44%). The greater tendency for black females to work year-round full-time somewhat offsets their disadvantage from working slightly less often.

The proportion of blacks working less often full-time year-round varies with their characteristics (See Table 14). Black males, with work experience, tend to be less likely to work full-time year-round than whites irrespective of their age. The highest relative probability of working full-time year-round is obtained for black males in the 25-29 and 35-39 age groups--proportions of 83 and 84% respectively. For all other age groups under 65 years old, experienced blacks are less than four-fifths as likely as white males to work full-time. On the other hand, black females are significantly more likely to work full-time year-round than white women for all age groups between 30 and 55 years old, while white females are more likely to work full-time year-round than black women at ages below 30 and above 55 years old.

For all race/sex groups, the proportions working year-round full-time

increase significantly as the educational levels increase up to the college level. For both female groups, the proportions continue to increase throughout the highest educational level. For white males, the proportion peaks at the four years of college level, and for black males the proportion peaks at the 1-3 year college level and declines as education increases further.

The proportion of the population with work experience working year-round full-time also varies by occupation. For all groups, the managerial occupation provides the highest proportion working year-round full-time. For both black and whites males, those working as laborers or service workers are the least likely to be employed year-round full-time. In general, the more highly paid the occupation, the higher proportion of its incumbents work year-round full-time. In all occupational categories for which data are available except private household workers, black females are more likely to work full-time year-round than white women.

In summary, in 1982 blacks continued to have problems obtaining employment at equal rates with whites. Moreover, the absolute level of employment in the black community has declined. The relative disadvantage is absolutely larger for black males and greater for the young and less educated. Black males are not only less likely to have work experience than white males, but are also less likely to work year-round full-time when they do have work experience. Black women also have slightly lower chances of having any work experience but, when employed, they are more likely to work year-round full-time.

BLACK WAGE RATES

Usual Weekly Wages

As indicated earlier, the amounts of income blacks receive from labor earnings also depend on the level of black wage or earnings rates. (See Table 15 and 16). In 1981, the median usual weekly earnings of full-time black men

was $274, while the median usual weekly wage of full-time black female workers was $210. Black males thus, usually earned about 76% as much as white male workers whose median income was $353, and black women about 93% of the $226 earned by white women.

Not only were the median usual weekly wages of black workers some what lower than the usual weekly wages of white workers, but blacks also had substantially larger numbers of low wage workers and smaller numbers of high wage workers. About 26% of black males compared to only 13% of white males usually earned less than $200 per week in 1981, while about 23% of white males and only 8% of black males usually earned more than $500 per week. Black women were also a little more likely than white women to have usual wages less than $200 (45.7% vs. 38.4%) and less likely to have usual wages about $500 (3.1% vs. 4.1%).

The relative level of wage inequality for black men and women was smaller in 1981 than it had been in 1970. For black males, the change was relatively modest. On the other hand, the change for black women between 1970-1981 was more substantial. For all black and white workers, the constant dollar wage rate in 1981 was significantly lower than it had been in any year since 1973. (See Table 15). For males the decline in purchasing power has been constant for both groups while black women's purchasing power declined at a lower rate than white women.

Age and Median Wages

Median weekly earnings of black workers vary with age, education, and occupation. In 1981, the median wages for both black males and females rose with age until the 35-44 age group and then declined for older groups. On the other hand, the median weekly earnings for white males peaked in the 45-54 age group, while the wages for white females peaked in the 25-34 age

group. As a result of these patterns of differential returns to age, inequality among black and white males increased with age up to 65. Black males between 35 and 65 had usual wages that were less than 75% of the usual wages of white males in the same age brackets while in the age group under 35, black male wages were more than 79% of comparable white male wages. On the other hand, the median wages in all black female age groups below age 55 were greater then 91% of the median wages for white females. The highest degree of equality in earning rates occuring among the 35-44 age group (93.4%) and teenagers (96%).

Education and Wage Rates

For blacks and whites of both sexes, usual wage rates increase with educational levels. However, the usual weekly wages of black male and female workers are generally lower at each educational level. For black males the greatest inequality is for those with four years of college who have wages which are about 75% of the wages for white college graduates. Greatest equality for males is for those with more than five years of college. At all other educational levels black males have wage rates that are about 80% of white male wage rates. Black females have much more equal wages with each educational group having usual wage rates at least 90% as great as white female wage rates. Wage equality increases with educational levels for black females, with the group with five or more years of college having slightly higher usual wage rates than their white counterparts.

Trend data for education and wages between the years 1973-78, indicate that little additional progress was made in increasing wage equality for either males or females subsequent to 1973. We suspect therefore that wage rate inequality has probably increased as a result of the current recession. This is especially likely to be the case for black males.

Occupation and Median Wages

Median weekly wages vary considerably by occupation. Professionals, managers, sales, and craft workers have median wages above the median and the other six occupations have median wages below the median. The ranking of wages across occupations are very similar for blacks and whites, both males and females. Black male workers have lower wages than white male workers in each occupational category. The degree of inequality varies roughly with the ranking of the occupational category. However, with the exception of sales workers, in which black workers have usual weekly earnings that are slightly less than two-thirds of the usual wages of whites, all other occupations have black/white wage ratios that are about 80% or higher. On the other hand, black females have median weekly wages that are equal to white female wages in three occupations. However, there is no occupation in which the usual median wages of black female workers was less than 94% of white female wages.

The trend data suggests modest increases in wage equality between 1972-78, for black males in all occupations except three. The degree of wage equality remained roughly constant for black and other males in the clerical category and declined slightly for transportation equipment operatives and non-farm laborers. The data suggest essentially no changes for black females who had achieved rough wage parity in each occupation by 1972.

Earnings of Full-Time Year-Round Workers and Class of Worker

Information concerning the wages of blacks can also be obtained from census data on annual earnings of workers who worked full-time all year. These annual earnings are roughly in proportion to usual weekly wage rates. An examination of this data confirms the general findings of the weekly wage rate data in most important respects. This data also provides information about black wage rates by class of worker which is not available in the weekly wage rate data series.

The data from the census reports indicate that fully employed black males who are self-employed, just like other black workers, earn less than whites males in the same category. Black male self-employed workers had median earnings ($12,371) that were approximately 79% of the median earnings of fully employed white workers in 1980, an improvement of 10% over 1970. Both groups experienced declines in their constant dollar incomes between 1970 and 1980. However, the declines were sharper for white males. No data is available on the earnings of full-time year-round self-employed black female workers.

The mean earnings of full-time black male workers in other worker class categories were for private wage and salary workers ($13,321), and for government wage and salary workers ($15,001).

Black female workers also earned more in the government sector than in other sectors. Like their male counterparts, however, there was a

fairly sharp decline in their constant dollar wages between 1970 and 1980. On the other hand, the constant dollar income of black female workers in the private wage and salary sector increased sharply. As a result, the degree of equality in the private wage and salary sector for black females exceeded the equality in the government sector by 1980. Nonetheless, as was the case for black males, blacks females working in the government sector continued to enjoy a substantial premium over their counterparts in the private sector.

In summary, the usual wage rates of black males were substantially lower than the wage rates of white males in 1970 while black females had a slightly lower usual wages. The 1981 relative wage levels represented improvement over ten years earlier for both males and females although the gains for black males were modest. For both black and white males the constant dollar usual earnings have declined relative to the 1973 level and have been declining for several years. The inequality varies with worker and job characteristics, however, substantial inequality exists for males across all characteristics. The black wage rate disadvantages reflect differences in the personal and job characteristics between blacks and whites and differences in rates of pay within categories.

Estimates of the Loss of Income From Labor Market Inequality

Table 19 provides rough estimates of the magnitude of the income loss due to the various aspects of labor market inequality. Most of the overall inequality is due to the extreme inequality in the black male labor market position. Black males lost $10.7 billion in 1980 because fewer black males had work experience. They lost another $5.1 billion

because of the smaller proportions who worked year-round full-time. Overall, problems obtaining equal rates of employment cost black males an estimated $16.8 billion in 1980. However, unequal rates of earnings cost black males even more--$20.5 billion in 1980. All of the labor market inequalities combined led to a loss of $48.6 billion in black male earnings, a total which is greater than the separate losses due to an interaction effect. If black males had equality in the labor market, 72% of the difference in black and white male contributions to the per capita incomes of their respective populations would have been eliminated. The remainder is due to the different proportions in the working age population and could not be eliminated through obtaining equality in labor markets. Achieving labor market parity for black males alone would reduce the overall income gap by about 53.6%.

The overall cost of the labor market inequality experienced by black females is estimated at $5.7 billion. If black women had equal earnings in 1980, their incomes would have been $3 billion greater. If equal proportions of black women had work experience, this change by itself would have produced another $2.5 billion. With earnings parity, black women would earn more than white women because of their greater commitment to full-time work.

The estimate of the total loss due to all aspects of labor market inequality combined in 1980 was $54.3 billion. Since inequality has been declining over the decade, a conservative estimate of the ten year cost to the black community due to labor market inequality in constant 1980 dollars is $543 billion. If blacks had obtained labor market parity, the ratio of per capita earnings would be about 89% of white per capita earnings instead of 58%. This change alone would have reduced the overall

income gap by about 60%. Per capita black income would have increased from $4,804 to $6,857. Obviously labor market inequality is very costly. To put these numbers in perspective, in 1980 blacks received $180.41 per capita more income from public assistance payments than did whites. This amounted to an aggregate income of about $4.8 billion. Thus black losses from labor market inequality in 1981 were more than 11 times higher than their excess welfare income receipts.

V. TWO PERSPECTIVES ON THE CAUSES OF RACIAL INEQUALITY[7/]

The analysis presented in the previous sections of this essay has revealed a pattern of pervasive and persisting racial inequality in economic life. The evidence indicates that there was no significant break in the pattern during the last decade or so. Whatever progress may have been made in some indicators was offset in the aggregate by deterioration in others. In any case, the range of change both positive and negative was extremely narrow. Perhaps most disturbing was the tendency for the situation to be deteriorating at the end of the period in both an absolute and a relative sense. Moreover, this pattern was already evident prior to the onset of the most serious recession in post-war history in mid-1981.

The purpose of this section of the essay is to discuss two alternative explanations for the phenomena outlined in the previous paragraphs. There are essentially three questions to be answered:

- Why are the economic outcomes for blacks and whites unequal?
- Why has so little progress been made in the last decade in reducing inequality?
- Why were conditions within the black community deteriorating at the beginning of the 1980's?

For purposes of our discussion the answers can be divided into two groups. The first we have called traditional or orthodox explanations. The second group has been called non-traditional or non-orthodox explanations. We will make no attempt to rigorously present all of the complex views that are included in the two categories. Rather our purpose is to provide a discussion of the utility of these perspectives that will hopefully clarify some of what we consider to be erroneous views about the causes and cures for racial inequality. Just to put all the cards on the table, we should state at the outset that we believe that inadequacies in the prevailing understanding of the causes of racial inequality in economic life has been a principal reason for the failure to eliminate this problem.

As the label suggests, the traditional thinking about this problem has dominated public beliefs, discussions, and policy making for the past several decades. These notions dominate the thinking of those who adhere to both conservative and liberal ideologies. These views are embodied in the basic methodologies of economics and other social sciences and guide the scientific analysis of racial inequality. The essence of the traditional view is the notion that the market system automatically produces efficient and equitable economic outcomes. In effect both liberals and conservatives believe that under ordinary circumstances the market system ensures that equally productive economic resources attain equal rewards.

The traditional view has specific implications for explaining racial inequality. Its principal answer to the question of why the economic status of blacks is lower than the economic status of whites is that blacks are less productive than whites. Thus, the traditional search for an explaration

for racial inequality has been limited to trying to identify factors which lower the productivity of blacks versus whites. Those adhering to orthodox notions have advanced a variety of factors to explain the lower productivity of blacks including: lower education and skills, lower levels of work experience, lower attitudes and work ethics, limited time horizons, and lower inherent ability.[8/]

The traditional explanation for why limited progress has been made would be that there has been linited progress in reducing racial differences in productivity. A more sophisticated version of this argument has emerged recently which emphasizes a growing class schism in the black community. This version of the theory argues that productivity gaps have been narrowed in the upper but are widening in the lower economic classes. The situation for upper income blacks thus would be converging while the situation for lower income blacks deteriorating--vis-a-vis whites.[9/]

The logical answer, from the traditional perspective to the question of why the situation has deteriorated over the past few years would simply be an extension of the explanations provided to the second question. In essence, if things are deteriorating it must be because relatively speaking the productivity gaps between blacks and whites are widening. The widening of productivity gaps could also be explained by the developing class schism hypothesis.

As might be expected, the essence of the non-orthodox view is the notion that markets automatically reproduce the same structure of inequality over time in the absence of external intervention or change. In this view the level and structure of inequality is determined by technological and product market condition and is independent of the distribution of productivity. Non-orthodox theorists hold that the allocation of opportunities across the population is determined primarily by socio-economic institutions and processes operating in the various markets.

Non-orthodox theory thus implies that racial inequality is produced by two factors. First, the overall level and structure of opportunity relative to the distribution of productivity, and second, the socio-economic institutions and processes which control the allocation of opportunities. The first factor determines the overall level of inequality and the second factor determines the distribution of this inequality between blacks and whites. The non-orthodox view thus emphasizes the role of the non-personal factors in creating inequality. Explanations would emphasize the failure of the economy to generate sufficient opportunities, the existence of hierarchical wage structures, and implicit and explicit racial bias in the operation of market institutions, practices, and processes.

Non-orthodox explanations for stagnation in the degree of racial inequality stress two factors. The first is overall economic stagnation--the failure to generate a large enough number of opportunities for all the available population and the failure to improve the degree of inequality in the structure of wages and other rewards. The second is institutional rigidity--the failure to eliminate implicit bias in the market institutions, processes, and practices which determine the allocation of opportunities. These two factors may also be generally considered to be interdependent.

Deterioration in the economic position of blacks during the 1970s would be explained by deterioration in the overall economic situation and/or an increase in the implicit or explicit bias in economic institutions. Again, these two factors are generally considered to be interdependent. We would expect most orthodox theorists to give the lead role to declines in the number of opportunities or increases in the degree of

inequality in the structure of opportunities in explaining the decline in the relative position of blacks in recent years. Explanations for these latter changes would likely emphasize changes in the underlying technological or product market conditions.

The differences in traditional and non-orthodox views can be summed up in stark terms. The orthodox prespective stresses the distributional efficiency of the market system and thus, emphasizes the role of limited productivity and other personal deficiencies of blacks. The non-orthodox theories stress the distributional inefficiency of the market system and emphasize the adaptability and adequacy of the productivity and personal characteristics of blacks.

VI. EXPLAINING RECENT TRENDS

In our view the orthodox perspective does not provide a useful basis for understanding the economic status of blacks. Over the past two decades a large amount of research has been conducted in the orthodox tradition to explain the persisting patterns of racial inequality. Nonetheless, the research has failed to provide either a complete or a consistent explanation for the phenomenon. Unfortunately a complete justification of this statement would require a discussion on a higher technical level than is appropriate for this essay. However, a few remarks in support of the conclusion are probably warranted.[10/]

If the orthodox view is correct this would imply that the lower wages and employment of blacks would be largely explained by their lower productivity. However, there is no credible evidence that limited productivity can provide an explanation for as much as 50% of the black/white wage

differentials--and much less of the employment differential. Moreover, there is also evidence that the orthodox association of personal characteristics, such as age and education,with productivity significantly overstates the on-the-job productivity differences between blacks and whites. Several studies have in fact shown that blacks are in general substantially over qualified for the work they perform and that unemployed blacks have sufficient productivity to be employed on many existing jobs.[11/]

Moreover, studies of black-white returns to productivity factors consistently find that blacks receive much lower returns to education and experience.[12/] In sum the existing research suggests that productivity differences cannot explain a substantial part of inequality at any point in time.

Moreover, the orthodox explanation for the relative stagnation in black wage rates and income, and the deterioration in black employment emphasizes declining or stagnating relative productivity. However, if the data make anything clear it is that the productive characteristics of blacks have converged towards the productive characteristics of whites over the last decade. Moreover, this is especially true for young blacks and this is the very group that experienced the most serious deterioration in their employment position. There is in fact no credible evidence at all that blacks have been getting relatively less productive than whites. Moreover at the same time that there has been an expansion in the potential productivity of the black work force, there has probably been some decline in the level of skills required to do many jobs. Despite the prevailing myths to the contrary, technological change generally is simplifying work rather than increasing its complexity.[13/]